statistical element indicating a probability of a payment obligation by the customer being honored, and based on that matching statistical element and without communication with the

15 third party, transmitting to the merchant computer an authorization indication indicating whether direct payment for the product should be accepted.

2. The Internet-based payment validation system of Claim 1 wherein the statistical element is based on a factor selected from a group consisting of a total price of the identified product, the price and timing of previous purchases of other products using the unique customer identifier, the type of identified product and the occurrence of any dishonored

5 payment associated with the previous transactions using the customer identifier.

3. The Internet-based payment validation system of Claim 1 wherein the authorization indication provides the indication of not authorized, indicating that the acceptance of direct payment is not advised, authorized with no guarantee, indicating that the acceptance of direct payment is acceptably subject to the discretion of the merchant, and

5 authorized with a guarantee indicating that the amount of the direct payment will be guaranteed by an authority operating the processor computer.

Please add the following new Claims 8-14:

8. The Internet-based payment validation system of Claim 1 wherein the statistical element is based on a total price of the identified product.

9. The Internet-based payment validation system of Claim 1 wherein the statistical element is based on the price and timing of previous purchases of other products using the unique customer identifier.

10. The Internet-based payment validation system of Claim 1 wherein the statistical element is based on the occurrence of any dishonored payment associated with the previous transactions using the customer identifier.

11. The Internet-based payment validation system of Claim 1 wherein the unique customer identifier is a driver's license number of a customer operating the customer computer.